

Quality Management Program Attempts to Enhance Northern New Mexico Business

*By: Laura Lovato
Los Alamos National Laboratory
Small Business Office*

How would you like to increase the sales of your company by nearly \$1 million or even \$10 million? Or how many of you would like to obtain a government contract or expand your company services or products internationally? Realistically, most of us would like to increase annual gross receipts and obtain contracts with large private or government institutions; however, we know this would require some legwork.

Laguna Industries realized this requirement, back in 1999, when the Native American-Owned Company was undergoing hardship. For those of you not familiar with Laguna Industries, the company is located in Bernalillo County. The company manufactures electrical assemblies and cable harnesses for mobile communication devices.

Back in 1999, Laguna Industries faced an \$8 million debt. This situation forced managers to lay off nearly three-quarters of their workforce and barred the company from getting any new government contracts. While the future of the company looked bleak, there was a solution and that was ISO 9000. ISO 9000 is a program with a series of quality management standards accepted internationally. The program contains a set of requirements and guidelines defining an effective quality management system.

After Laguna Industries implemented this quality management system, the company experienced a profit increase of nearly \$11 million--that's from \$19 million in the 2001 fiscal year to nearly \$30 million in the 2002 fiscal year. The increase enabled the company to re-hire a majority of the laid off workers. In addition, the company has obtained a number of large contracts with both federal and private companies.

So, how can you get ISO certified? Through New Mexico 9000; an alliance of the Los Alamos National Laboratory, the New Mexico Economic Development Department, Honeywell Federal Manufacturing and Technologies, and Sandia National Laboratories that provides assistance to New Mexico small businesses in becoming ISO compliant.

Companies typically pay about \$1,000 to \$6,000, based on a company's annual gross receipts, for 26- three-hour workshops. Once a company completes the program, it is eligible to get half of that money back.

Now, you may be thinking why should I go through the expense of getting a certification if it doesn't promise me a large contract? Instead, think of it as getting your college or masters degree; you go through the expense to gain more valuable credentials, so you can become more marketable. Another benefit of becoming ISO certified is improved customer satisfaction.

Customer satisfaction is enhanced by an improvement of the process used to create your product or service, which in turn improves the quality of the product or service you are providing. Becoming ISO certified also enables you to bid for contracts with ISO requirements.

Again, many private and governmental companies, such as INTEL and the Department of Defense, are requiring their suppliers to be ISO certified. While the Los Alamos National Laboratory doesn't require their suppliers to be ISO certified, they do strongly encourage companies take part of this training; especially, during a time of growing global competition. That's why the Laboratory's Small Business Office (SBO) is helping to organize the New Mexico 9000 workshops. The SBO would like to hold the workshops in Los Alamos; however, it will take the participation of interested Northern New Mexico companies to make this happen. Currently, about six companies have shown interest in this quality management program, but they are from Albuquerque. That means if the SBO doesn't get enough interest from Northern New Mexico companies, they will have to hold the workshops in Albuquerque.

If you would like more information on New Mexico 9000, please contact Laura Lovato at (505) 665-4286 or Ken Manicki at (505) 827-0563.